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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING
Whether there has been a violation
of the Securities Act of Washington by:

Wishbone Properties; Golden Age Planning, Inc.;
Jerry King; their employees and agents,
Respondents

SDO - 61 - 00

FINAL ORDER TO CEASE AND DESIST

Case No. 99-05-0137

THE STATE OF WASHINGTON TO:

Wishbone Properties; Golden Age Planning, Inc.;
and Jerry King

On March 21, 2000, the Securities Administrator of the State of Washington issued Summary Order to Cease and Desist SDO-34(A)-00, hereinafter referred to as the Order, to Wishbone Properties, Golden Age Planning, Inc. and Jerry King (the Respondents). The Order, together with a Notice of Opportunity to Defend and Opportunity for Hearing (hereinafter referred to as "Notice of Opportunity for Hearing") and an Application for Adjudicative Hearing (hereinafter referred to as "Application for Hearing"), were personally served on Jerry King on April 24, 2000 and served by certified mail to Respondents on April 3, 2000. The Notice of Opportunity for Hearing advised the Respondents that each had twenty days from the date the Respondent received the notice to file a written application for an administrative hearing on the Statement of Charges.

SUMMARY ORDER TO CEASE AND
DESIST

1 The Respondents each failed to request an administrative hearing within twenty days of the receipt of
2 the Statement of Charges and Notice of Opportunity for Hearing, either on the Application for hearing
3 provided or otherwise.

4 The Securities Administrator therefore will adopt as final the findings of fact and conclusions of law as
5 set forth in the Statement of Charges as follows:

6
7 **FINDINGS OF FACT**

8 **Parties**

9
10 **I.**

11 Jerry King is the owner and principal of Wishbone Properties, which represents itself as a real estate
12 investment company whose last known business address is 126 Logan Ave South, Renton WA 98055-2426.

13
14 **II.**

15 Jerry King is the owner and principal of Golden Age Planning, Inc., which represents itself as a
16 retirement planning and consulting business whose last known business address is 126 Logan Ave South,
17 Renton WA 98055-2426.

18
19 **Sale of Notes**

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21 **III.**

22 From 1991 through 1999, Respondents acting in concert and on behalf of one another solicited
23 prospective Washington residents to invest in investment notes of Wishbone Properties. Respondents

1 offered these investors above market interest rate returns on the notes and promised to secure the notes with
2 a deed of trust. Respondents contacted a number of the investors through a solicitation by Golden Age
3 Planning that offered a free seminar on estate planning services. Jerry King subsequently approached many
4 attendees at the seminars about the prospect of making investments in real estate and investments in notes to
5 be issued by Wishbone Properties. The notes were purported to be secured by a deed of trust on property at
6 126 Logan Ave South, Renton WA that was owned by Jerry King. Jerry King told investors that their money
7 was to be invested in a variety of real estate ventures, including an Arizona recreational real estate
8 development project. At least 30 investors invested in promissory notes issued by Respondents in amounts
9 ranging from several thousand dollars to in excess of \$100,000 and the total face value of notes sold by
10 Respondents exceeded \$1,000,000.
11

12 **Fraud in the Offer and Sale of Securities**

13 **IV.**

14 Respondents, acting in concert and on behalf of each other and acting through their principal Jerry
15 King, misrepresented to certain investors that their investment notes would be fully secured by a deed of
16 trust on the property located at 126 Logan Ave South, Renton WA. King had previously encumbered the
17 property with prior deeds of trust issued to other parties or investors and, as a result, there was insufficient
18 equity in the property to adequately secure the notes in the event of default by Respondents King or
19 Wishbone. King misrepresented to investors that their money was to be invested in real estate projects when
20 in fact he did not make such investments, but used the money for personal and unrelated purposes, that
21 included the repayment of prior note investors. King failed to disclose material facts to investors in
22 connection with offer and sale of the notes, including, but not limited to: failure to disclose the material risks
23
24

25 SUMMARY ORDER TO CEASE AND
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1 of the investment, failure to adequately disclose how the investors' money was to be used, and failure to
2 adequately disclose the financial condition of the Respondents, including the failure to provide a financial
3 statement of any kind.

4 **Unregistered Securities**

5 V.

6 Wishbone Properties is not currently registered to offer or sell investment notes or securities of any
7 kind in the state of Washington, and has not previously been so registered.

9 **Unregistered Broker-Dealer/Securities Salesperson**

11 VI.

12 Wishbone Properties; Golden Age Planning, Inc.; and Jerry King are not currently registered under
13 the Securities Act of Washington as a broker-dealer or securities salesperson in the state of Washington and
14 have not previously been so registered.

15 Based upon the above Findings of Fact, the following Conclusions of Law are made:

17 **CONCLUSIONS OF LAW**

18 I.

19 The offer and/or sale of the Wishbone Properties investment notes as described above constitutes the
20 offer and/or sale of a security as defined in RCW 21.20.005(10) and (12), to wit: a note; evidence of
21 indebtedness; an investment contract; and/or risk capital.
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II.

The offer and/or sale of said securities was made in violation of RCW 21.20.010, the anti-fraud provisions of the Securities Act because Respondents misrepresented and failed to disclose to investors material facts as set forth above in Paragraphs I through IV of the Findings of Fact.

III.

The offer and/or sale of said securities are in violation of RCW 21.20.140 because no registration for such offer and/or sale is on file with the Administrator of Securities of the state of Washington.

IV.

Wishbone Properties; Golden Age Planning, Inc.; and Jerry King have violated RCW 21.20.040 by offering and/or selling said securities while not appropriately registered as a broker-dealer or securities salesperson in the state of Washington.

FINAL ORDER

Based on the above Findings of Fact and Conclusions of Law:

IT IS HEREBY ORDERED That Respondents Wishbone Properties; Golden Age Planning, Inc.; and Jerry King each cease and desist from offering and/or selling securities in any manner in violation of RCW 21.20.010;

IT IS HEREBY ORDERED That Respondents Wishbone Properties; Golden Age Planning, Inc.; and Jerry King each cease and desist from offering and/or selling securities in any manner in violation of RCW 21.20.140; and

SUMMARY ORDER TO CEASE AND
DESIST

1 IT IS HEREBY ORDERED That Respondents Wishbone Properties; Golden Age Planning, Inc.;
2 and Jerry King cease and desist from offering and/or selling securities in any manner in violation of
3 RCW 21.20.040.
4

5 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

6 DATED this 31st day of May, 2000.
7

8 SCOTT JARVIS for
9 DEBORAH R. BORTNER
Securities Administrator

10 Reviewed by:

Presented by:

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12
13 MICHAEL STEVENSON
Chief of Compliance

14 MARTIN CORDELL
Securities Examiner

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